

<p align="center">2003-2004 ANNUAL REPORT</p>

CAPITAL IMPROVEMENT PROGRAM FUNDS (CONT'D.)

Residential Construction Tax Contribution Fund

The Residential Construction Tax Fund accounts for taxes imposed upon the construction of single-family dwelling units or mobile home lots in the City. The tax is collected and placed in the Residential Construction Tax Contribution Fund and is used to reimburse developers who constructed that portion of an arterial street which is wider than that which is normally required in connection with residential development.

***Residential
Construction Tax
Fund***

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ 111	\$ 286	\$ 175	157.7%
<i>Expenditure</i>	508	212	296	58.3%
<i>Fund Balance (est. *)</i>	568 *	902	334	58.8%

The positive revenue variance of \$175,000 is the result of higher than anticipated Residential Construction Tax receipts.

The expenditure savings of \$296,000 primarily reflect savings in the Reimbursements to Developers for Landscaping (\$103,000), the Reimbursement to Developers for Center Strip Paving (\$89,000), and the Street Improvements for New Developments appropriations (\$50,000).

The 2003-2004 fund balance variance of \$334,000 is the result of lower than estimated expenditures (\$264,000) and higher revenues (\$70,000). A rebudget of \$15,760 is recommended for the Community Facility District 8 Annexation project to provide sufficient funding for this project.